
SENATE BILL 5527

State of Washington 60th Legislature 2007 Regular Session

By Senators Hatfield, Morton, Parlette and Rasmussen

Read first time 01/23/2007. Referred to Committee on Natural Resources, Ocean & Recreation.

1 AN ACT Relating to consolidating designated forest lands and open
2 space timber lands for ease of administration; amending RCW 84.33.035,
3 84.33.130, 84.33.140, 84.33.145, 84.33.170, 84.34.020, 84.34.030,
4 84.34.060, 84.34.070, 84.34.080, 84.34.108, 84.34.145, 84.34.155,
5 84.34.210, 84.34.220, 84.34.300, 84.34.310, 84.34.330, 84.34.340,
6 84.34.370, and 84.34.380; reenacting and amending RCW 84.34.320 and
7 84.34.360; and repealing RCW 84.33.077, 84.34.041, and 84.34.131.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 **Sec. 1.** RCW 84.33.035 and 2004 c 177 s 1 are each amended to read
10 as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this chapter.

13 (1) "Agricultural methods" means the cultivation of trees that are
14 grown on land prepared by intensive cultivation and tilling, such as
15 irrigating, plowing, or turning over the soil, and on which all
16 unwanted plant growth is controlled continuously for the exclusive
17 purpose of raising trees such as Christmas trees and short-rotation
18 hardwoods.

1 (2) "Average rate of inflation" means the annual rate of inflation
2 as determined by the department averaged over the period of time as
3 provided in RCW 84.33.220 (1) and (2). This rate shall be published in
4 the state register by the department not later than January 1st of each
5 year for use in that assessment year.

6 (3) "Commercial purposes" means the use of the forest land on a
7 continuous and regular basis after application for designation that
8 demonstrates the owner will engage in and intends to obtain, through
9 lawful means, monetary profit from cash income by growing and
10 harvesting timber, including timber grown using the methods described
11 in subsection (1) of this section. However, this requirement does not
12 apply if there is a governmental restriction that prohibits, in whole
13 or in part, the owner from harvesting timber from the parcel.

14 (4) "Composite property tax rate" for a county means the total
15 amount of property taxes levied upon forest lands by all taxing
16 districts in the county other than the state, divided by the total
17 assessed value of all forest land in the county.

18 ((+4)) (5) "Forest land" is synonymous with "designated forest
19 land" and means any parcel of land that is ((twenty)) five or more
20 acres or multiple parcels of land that are contiguous and total
21 ((twenty)) five or more acres that is or are devoted primarily to
22 growing and harvesting timber for commercial purposes as defined in
23 this section. Designated forest land means the land only and does not
24 include a residential homesite. The term includes land used for
25 incidental uses that are compatible with the growing and harvesting of
26 timber but no more than ten percent of the land may be used for such
27 incidental uses. It also includes the land on which appurtenances
28 necessary for the production, preparation, or sale of the timber
29 products exist in conjunction with land producing these products.

30 ((+5)) (6) "Harvested" means the time when in the ordinary course
31 of business the quantity of timber by species is first definitely
32 determined. The amount harvested shall be determined by the Scribner
33 Decimal C Scale or other prevalent measuring practice adjusted to
34 arrive at substantially equivalent measurements, as approved by the
35 department.

36 ((+6)) (7) "Harvester" means every person who from the person's
37 own land or from the land of another under a right or license granted
38 by lease or contract, either directly or by contracting with others for

1 the necessary labor or mechanical services, fells, cuts, or takes
2 timber for sale or for commercial or industrial use. When the United
3 States or any instrumentality thereof, the state, including its
4 departments and institutions and political subdivisions, or any
5 municipal corporation therein so fells, cuts, or takes timber for sale
6 or for commercial or industrial use, the harvester is the first person
7 other than the United States or any instrumentality thereof, the state,
8 including its departments and institutions and political subdivisions,
9 or any municipal corporation therein, who acquires title to or a
10 possessory interest in the timber. The term "harvester" does not
11 include persons performing under contract the necessary labor or
12 mechanical services for a harvester.

13 ~~((7))~~ (8) "Harvesting and marketing costs" means only those costs
14 directly associated with harvesting the timber from the land and
15 delivering it to the buyer and may include the costs of disposing of
16 logging residues. Any other costs that are not directly and
17 exclusively related to harvesting and marketing of the timber, such as
18 costs of permanent roads or costs of reforesting the land following
19 harvest, are not harvesting and marketing costs.

20 ~~((8))~~ (9) "Incidental use" means a use of designated forest land
21 that is compatible with its purpose for growing and harvesting timber.
22 An incidental use may include a gravel pit, a shed or land used to
23 store machinery or equipment used in conjunction with the timber
24 enterprise, and any other use that does not interfere with or indicate
25 that the forest land is no longer primarily being used to grow and
26 harvest timber.

27 ~~((9))~~ (10) "Local government" means any city, town, county,
28 water-sewer district, public utility district, port district,
29 irrigation district, flood control district, or any other municipal
30 corporation, quasi-municipal corporation, or other political
31 subdivision authorized to levy special benefit assessments for sanitary
32 or storm sewerage systems, domestic water supply or distribution
33 systems, or road construction or improvement purposes.

34 ~~((10))~~ (11) "Local improvement district" means any local
35 improvement district, utility local improvement district, local utility
36 district, road improvement district, or any similar unit created by a
37 local government for the purpose of levying special benefit assessments

1 against property specially benefited by improvements relating to the
2 districts.

3 ~~((+11+))~~ (12) "Owner" means the party or parties having the fee
4 interest in land, except where land is subject to a real estate
5 contract "owner" means the contract vendee.

6 ~~((+12+))~~ (13) "Primarily" or "primary use" means the existing use
7 of the land is so prevalent that when the characteristic use of the
8 land is evaluated any other use appears to be conflicting or
9 nonrelated.

10 ~~((+13+))~~ (14) "Short-rotation hardwoods" means hardwood trees, such
11 as but not limited to hybrid cottonwoods, cultivated by agricultural
12 methods in growing cycles shorter than fifteen years.

13 ~~((+14+))~~ (15) "Small harvester" means every person who from his or
14 her own land or from the land of another under a right or license
15 granted by lease or contract, either directly or by contracting with
16 others for the necessary labor or mechanical services, fells, cuts, or
17 takes timber for sale or for commercial or industrial use in an amount
18 not exceeding two million board feet in a calendar year. When the
19 United States or any instrumentality thereof, the state, including its
20 departments and institutions and political subdivisions, or any
21 municipal corporation therein so fells, cuts, or takes timber for sale
22 or for commercial or industrial use, not exceeding these amounts, the
23 small harvester is the first person other than the United States or any
24 instrumentality thereof, the state, including its departments and
25 institutions and political subdivisions, or any municipal corporation
26 therein, who acquires title to or a possessory interest in the timber.
27 Small harvester does not include persons performing under contract the
28 necessary labor or mechanical services for a harvester, and it does not
29 include the harvesters of Christmas trees or short-rotation hardwoods.

30 ~~((+15+))~~ (16) "Special benefit assessments" means special
31 assessments levied or capable of being levied in any local improvement
32 district or otherwise levied or capable of being levied by a local
33 government to pay for all or part of the costs of a local improvement
34 and which may be levied only for the special benefits to be realized by
35 property by reason of that local improvement.

36 ~~((+16+))~~ (17) "Stumpage value of timber" means the appropriate
37 stumpage value shown on tables prepared by the department under RCW
38 84.33.091, provided that for timber harvested from public land and sold

1 under a competitive bidding process, stumpage value shall mean the
2 actual amount paid to the seller in cash or other consideration. The
3 stumpage value of timber from public land does not include harvesting
4 and marketing costs if the timber from public land is harvested by, or
5 under contract for, the United States or any instrumentality of the
6 United States, the state, including its departments and institutions
7 and political subdivisions, or any municipal corporation therein.
8 Whenever payment for the stumpage includes considerations other than
9 cash, the value shall be the fair market value of the other
10 consideration. If the other consideration is permanent roads, the
11 value of the roads shall be the appraised value as appraised by the
12 seller.

13 ~~((17))~~ (18) "Timber" means forest trees, standing or down, on
14 privately or publicly owned land, and except as provided in RCW
15 84.33.170 includes Christmas trees and short-rotation hardwoods.

16 ~~((18))~~ (19) "Timber assessed value" for a county means the sum
17 of: (a) The total stumpage value of timber harvested from publicly
18 owned land in the county multiplied by the public timber ratio, plus;
19 (b) the total stumpage value of timber harvested from privately owned
20 land in the county multiplied by the private timber ratio. The
21 numerator of the public timber ratio is the rate of tax imposed by the
22 county under RCW 84.33.051 on public timber harvests for the year of
23 the calculation. The numerator of the private timber ratio is the rate
24 of tax imposed by the county under RCW 84.33.051 on private timber
25 harvests for the year of the calculation. The denominator of the
26 private timber ratio and the public timber ratio is the composite
27 property tax rate for the county for taxes due in the year of the
28 calculation, expressed as a percentage of assessed value. The
29 department shall use the stumpage value of timber harvested during the
30 most recent four calendar quarters for which the information is
31 available. The department shall calculate the timber assessed value
32 for each county before October 1st of each year.

33 ~~((19))~~ (20) "Timber assessed value" for a taxing district means
34 the timber assessed value for the county multiplied by a ratio. The
35 numerator of the ratio is the total assessed value of forest land in
36 the taxing district. The denominator is the total assessed value of
37 forest land in the county. As used in this section, "assessed value of
38 forest land" means the assessed value of forest land for taxes due in

1 the year the timber assessed value for the county is calculated plus an
2 additional value for public forest land. The additional value for
3 public forest land is the product of the number of acres of public
4 forest land that are available for timber harvesting determined under
5 RCW 84.33.089 and the average assessed value per acre of private forest
6 land in the county.

7 ~~((+20))~~ (21) "Timber management plan" means a plan prepared by a
8 trained forester, or any other person with adequate knowledge of timber
9 management practices, concerning the use of the land to grow and
10 harvest timber. Such a plan ~~((includes))~~ may include:

11 (a) A legal description of the forest land;

12 (b) A statement that the forest land is held in contiguous
13 ownership of ~~((twenty))~~ five or more acres and is primarily devoted to
14 and used to grow and harvest timber;

15 (c) A brief description of the timber on the forest land or, if the
16 timber on the land has been harvested, the owner's plan to restock the
17 land with timber;

18 (d) A statement about whether the forest land is also used to graze
19 livestock;

20 (e) A statement about whether the land has been used in compliance
21 with the restocking, forest management, fire protection, insect and
22 disease control, and forest debris provisions of Title 76 RCW; and

23 (f) If the land has been recently harvested or supports a growth of
24 brush and noncommercial type timber, a description of the owner's plan
25 to restock the forest land within three years.

26 **Sec. 2.** RCW 84.33.130 and 2003 c 170 s 4 are each amended to read
27 as follows:

28 (1) Notwithstanding any other provision of law, lands that were
29 assessed as classified forest land before July 22, 2001, or open space
30 timber land under chapter 84.34 RCW before the effective date of this
31 section, shall be designated forest land for the purposes of this
32 chapter. The date the property was classified as open space timber
33 shall be considered the date the property was designated as forest land
34 under this chapter. The assessor shall notify each owner of open space
35 timber land of the transfer by certified mail. For any forest land
36 removed from designation after the merger of designated forest land and
37 open space timber land on the effective date of this section, only

1 compensating tax shall be collected as a result of the removal in
2 accordance with RCW 84.33.140(12), unless otherwise provided by law.
3 The owners of previously classified forest land shall not be required
4 to apply for designation under this chapter. As of (~~July 22, 2001~~)
5 the effective date of this section, the land and timber on such land
6 shall be assessed and taxed in accordance with the provisions of this
7 chapter.

8 Any open space taxation agreement recorded with a county
9 legislative authority by an owner of classified open space timber land
10 before the effective date of this section, becomes null and void when
11 the subject land becomes designated as forest land under this chapter.

12 (2) An owner of land desiring that it be designated as forest land
13 and valued under RCW 84.33.140 as of January 1st of any year shall
14 submit an application to the assessor of the county in which the land
15 is located before January 1st of that year. The application shall be
16 accompanied by a reasonable processing fee when the county legislative
17 authority has established the requirement for such a fee.

18 (3) No application of designation is required when publicly owned
19 forest land is exchanged for privately owned forest land designated
20 under this chapter. The land exchanged and received by an owner
21 subject to ad valorem taxation shall be automatically granted
22 designation under this chapter if the following conditions are met:

- 23 (a) The land will be used to grow and harvest timber; and
24 (b) The owner of the land submits a document to the assessor's
25 office that explains the details of the forest land exchange within
26 sixty days of the closing date of the exchange. However, if the owner
27 fails to submit information regarding the exchange by the end of this
28 sixty-day period, the owner must file an application for designation as
29 forest land under this chapter and the regular application process will
30 be followed.

31 (4) The application shall be made upon forms prepared by the
32 department and supplied by the assessor, and shall include the
33 following:

- 34 (a) A legal description of, or assessor's parcel numbers for, all
35 land the applicant desires to be designated as forest land;
36 (b) The date or dates of acquisition of the land;
37 (c) A brief description of the timber on the land, or if the timber
38 has been harvested, the owner's plan for restocking;

1 (d) A copy of the timber management plan, if one exists, for the
2 land prepared by a trained forester or any other person with adequate
3 knowledge of timber management practices;

4 (e) If a timber management plan exists, an explanation of the
5 nature and extent to which the management plan has been implemented;

6 (f) Whether the land is used for grazing;

7 (g) Whether the land has been subdivided or a plat has been filed
8 with respect to the land;

9 (h) Whether the land and the applicant are in compliance with the
10 restocking, forest management, fire protection, insect and disease
11 control, and forest debris provisions of Title 76 RCW or any applicable
12 rules under Title 76 RCW;

13 (i) Whether the land is subject to forest fire protection
14 assessments under RCW 76.04.610;

15 (j) Whether the land is subject to a lease, option, or other right
16 that permits it to be used for any purpose other than growing and
17 harvesting timber;

18 (k) A summary of the past experience and activity of the applicant
19 in growing and harvesting timber;

20 (l) A summary of current and continuing activity of the applicant
21 in growing and harvesting timber;

22 (m) A statement that the applicant is aware of the potential tax
23 liability involved when the land ceases to be designated as forest
24 land;

25 (n) An affirmation that the statements contained in the application
26 are true and that the land described in the application meets the
27 definition of forest land in RCW 84.33.035; and

28 (o) A description and/or drawing showing what areas of land for
29 which designation is sought are used for incidental uses compatible
30 with the definition of forest land in RCW 84.33.035.

31 (5) The assessor shall afford the applicant an opportunity to be
32 heard if the applicant so requests.

33 (6) The assessor shall act upon the application with due regard to
34 all relevant evidence and without any one or more items of evidence
35 necessarily being determinative, except that the application may be
36 denied for one of the following reasons, without regard to other items:

37 (a) The land does not contain a "merchantable stand of timber" as
38 defined in chapter 76.09 RCW and applicable rules. This reason shall

1 not alone be sufficient to deny the application (i) if the land has
2 been recently harvested or supports a growth of brush or noncommercial
3 type timber, and the application includes a plan for restocking within
4 three years or a longer period necessitated by unavailability of seed
5 or seedlings, or (ii) if only isolated areas within the land do not
6 meet the minimum standards due to rock outcroppings, swamps,
7 unproductive soil or other natural conditions;

8 (b) The applicant, with respect to the land, has failed to comply
9 with a final administrative or judicial order with respect to a
10 violation of the restocking, forest management, fire protection, insect
11 and disease control, and forest debris provisions of Title 76 RCW or
12 any applicable rules under Title 76 RCW; or

13 (c) The land abuts a body of salt water and lies between the line
14 of ordinary high tide and a line paralleling the ordinary high tide
15 line and two hundred feet horizontally landward from the high tide
16 line. However, if the assessor determines that a higher and better use
17 exists for the land but this use would not be permitted or economically
18 feasible by virtue of any federal, state, or local law or regulation,
19 the land shall be assessed and valued under RCW 84.33.140 without being
20 designated as forest land.

21 (7) The application shall be deemed to have been approved unless,
22 prior to (~~May~~) July 1st of the year after the application was mailed
23 or delivered to the assessor, the assessor notifies the applicant in
24 writing of the extent to which the application is denied.

25 (8) An owner who receives notice that his or her application has
26 been denied, in whole or in part, may appeal the denial to the county
27 board of equalization in accordance with the provisions of RCW
28 84.40.038.

29 **Sec. 3.** RCW 84.33.140 and 2005 c 303 s 13 are each amended to read
30 as follows:

31 (1) When land has been designated as forest land under RCW
32 84.33.130, a notation of the designation shall be made each year upon
33 the assessment and tax rolls. A copy of the notice of approval
34 together with the legal description or assessor's parcel numbers for
35 the land shall, at the expense of the applicant, be filed by the
36 assessor in the same manner as deeds are recorded.

1 (2) In preparing the assessment roll as of January 1, 2002, for
 2 taxes payable in 2003 and each January 1st thereafter, the assessor
 3 shall list each parcel of designated forest land at a value with
 4 respect to the grade and class provided in this subsection and adjusted
 5 as provided in subsection (3) of this section. The assessor shall
 6 compute the assessed value of the land using the same assessment ratio
 7 applied generally in computing the assessed value of other property in
 8 the county. Values for the several grades of bare forest land shall be
 9 as follows:

10	LAND	OPERABILITY	VALUES
11	GRADE	CLASS	PER ACRE
12		1	\$234
13	1	2	229
14		3	217
15		4	157
16		1	198
17	2	2	190
18		3	183
19		4	132
20		1	154
21	3	2	149
22		3	148
23		4	113
24		1	117
25	4	2	114
26		3	113
27		4	86
28		1	85
29	5	2	78
30		3	77
31		4	52
32		1	43
33	6	2	39
34		3	39
35		4	37
36		1	21

1	7	2	21
2		3	20
3		4	20
4	8		1

5 (3) On or before December 31, 2001, the department shall adjust by
6 rule under chapter 34.05 RCW, the forest land values contained in
7 subsection (2) of this section in accordance with this subsection, and
8 shall certify the adjusted values to the assessor who will use these
9 values in preparing the assessment roll as of January 1, 2002. For the
10 adjustment to be made on or before December 31, 2001, for use in the
11 2002 assessment year, the department shall:

12 (a) Divide the aggregate value of all timber harvested within the
13 state between July 1, 1996, and June 30, 2001, by the aggregate harvest
14 volume for the same period, as determined from the harvester excise tax
15 returns filed with the department under RCW 84.33.074; and

16 (b) Divide the aggregate value of all timber harvested within the
17 state between July 1, 1995, and June 30, 2000, by the aggregate harvest
18 volume for the same period, as determined from the harvester excise tax
19 returns filed with the department under RCW 84.33.074; and

20 (c) Adjust the forest land values contained in subsection (2) of
21 this section by a percentage equal to one-half of the percentage change
22 in the average values of harvested timber reflected by comparing the
23 resultant values calculated under (a) and (b) of this subsection.

24 (4) For the adjustments to be made on or before December 31, 2002,
25 and each succeeding year thereafter, the same procedure described in
26 subsection (3) of this section shall be followed using harvester excise
27 tax returns filed under RCW 84.33.074. However, this adjustment shall
28 be made to the prior year's adjusted value, and the five-year periods
29 for calculating average harvested timber values shall be successively
30 one year more recent.

31 (5) Land graded, assessed, and valued as forest land shall continue
32 to be so graded, assessed, and valued until removal of designation by
33 the assessor upon the occurrence of any of the following:

34 (a) Receipt of notice from the owner to remove the designation;

35 (b) Sale or transfer to an ownership making the land exempt from ad
36 valorem taxation;

37 (c) Sale or transfer of all or a portion of the land to a new
38 owner, unless the new owner has signed a notice of forest land

1 designation continuance, except transfer to an owner who is an heir or
2 devisee of a deceased owner, shall not, by itself, result in removal of
3 designation. The signed notice of continuance shall be attached to the
4 real estate excise tax affidavit provided for in RCW 82.45.150. The
5 notice of continuance shall be on a form prepared by the department.
6 If the notice of continuance is not signed by the new owner and
7 attached to the real estate excise tax affidavit, all compensating
8 taxes calculated under subsection (11) of this section shall become due
9 and payable by the seller or transferor at time of sale. The auditor
10 shall not accept an instrument of conveyance regarding designated
11 forest land for filing or recording unless the new owner has signed the
12 notice of continuance or the compensating tax has been paid, as
13 evidenced by the real estate excise tax stamp affixed thereto by the
14 treasurer. The seller, transferor, or new owner may appeal the new
15 assessed valuation calculated under subsection (11) of this section to
16 the county board of equalization in accordance with the provisions of
17 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of
18 equalization to hear these appeals;

19 (d) Determination by the assessor, after giving the owner written
20 notice and an opportunity to be heard, that:

21 (i) The land is no longer primarily devoted to and used for growing
22 and harvesting timber. However, land shall not be removed from
23 designation if a governmental agency, organization, or other recipient
24 identified in subsection (13) or (14) of this section as exempt from
25 the payment of compensating tax has manifested its intent in writing or
26 by other official action to acquire a property interest in the
27 designated forest land by means of a transaction that qualifies for an
28 exemption under subsection (13) or (14) of this section. The
29 governmental agency, organization, or recipient shall annually provide
30 the assessor of the county in which the land is located reasonable
31 evidence in writing of the intent to acquire the designated land as
32 long as the intent continues or within sixty days of a request by the
33 assessor. The assessor may not request this evidence more than once in
34 a calendar year;

35 (ii) The owner has failed to comply with a final administrative or
36 judicial order with respect to a violation of the restocking, forest
37 management, fire protection, insect and disease control, and forest

1 debris provisions of Title 76 RCW or any applicable rules under Title
2 76 RCW; or

3 (iii) Restocking has not occurred to the extent or within the time
4 specified in the application for designation of such land.

5 (6) Land shall not be removed from designation if there is a
6 governmental restriction that prohibits, in whole or in part, the owner
7 from harvesting timber from the owner's designated forest land. If
8 only a portion of the parcel is impacted by governmental restrictions
9 of this nature, the restrictions cannot be used as a basis to remove
10 the remainder of the forest land from designation under this chapter.

11 For the purposes of this section, "governmental restrictions" includes:
12 (a) Any law, regulation, rule, ordinance, program, or other action
13 adopted or taken by a federal, state, county, city, or other
14 governmental entity; or (b) the land's zoning or its presence within an
15 urban growth area designated under RCW 36.70A.110.

16 (7) The assessor shall have the option of requiring an owner of
17 forest land to file a timber management plan with the assessor upon the
18 occurrence of one of the following:

19 (a) An application for designation as forest land is submitted;
20 (~~or~~)

21 (b) Designated forest land is sold or transferred and a notice of
22 continuance, described in subsection (5)(c) of this section, is signed;
23 or

24 (c) The assessor has reason to believe that the land is no longer
25 being used as designated forest land. In this case, the assessor can
26 require such a plan to determine whether the land can continue as
27 designated forest land.

28 (8) If land is removed from designation because of any of the
29 circumstances listed in subsection (5)(a) through (c) of this section,
30 the removal shall apply only to the land affected. If land is removed
31 from designation because of subsection (5)(d) of this section, the
32 removal shall apply only to the actual area of land that is no longer
33 primarily devoted to the growing and harvesting of timber, without
34 regard to any other land that may have been included in the application
35 and approved for designation, as long as the remaining designated
36 forest land meets the definition of forest land contained in RCW
37 84.33.035.

1 (9) Within thirty days after the removal of designation as forest
2 land, the assessor shall notify the owner in writing, setting forth the
3 reasons for the removal. The seller, transferor, or owner may appeal
4 the removal to the county board of equalization in accordance with the
5 provisions of RCW 84.40.038.

6 (10) Unless the removal is reversed on appeal a copy of the notice
7 of removal with a notation of the action, if any, upon appeal, together
8 with the legal description or assessor's parcel numbers for the land
9 removed from designation shall, at the expense of the applicant, be
10 filed by the assessor in the same manner as deeds are recorded and a
11 notation of removal from designation shall immediately be made upon the
12 assessment and tax rolls. The assessor shall revalue the land to be
13 removed with reference to its true and fair value as of January 1st of
14 the year of removal from designation. Both the assessed value before
15 and after the removal of designation shall be listed. Taxes based on
16 the value of the land as forest land shall be assessed and payable up
17 until the date of removal and taxes based on the true and fair value of
18 the land shall be assessed and payable from the date of removal from
19 designation.

20 (11) Except as provided in subsection (5)(c), (13), or (14) of this
21 section, a compensating tax shall be imposed on land removed from
22 designation as forest land. The compensating tax shall be due and
23 payable to the treasurer thirty days after the owner is notified of the
24 amount of this tax. As soon as possible after the land is removed from
25 designation, the assessor shall compute the amount of compensating tax
26 and mail a notice to the owner of the amount of compensating tax owed
27 and the date on which payment of this tax is due. The amount of
28 compensating tax shall be equal to the difference between the amount of
29 tax last levied on the land as designated forest land and an amount
30 equal to the new assessed value of the land multiplied by the dollar
31 rate of the last levy extended against the land, multiplied by a
32 number, in no event greater than nine, equal to the number of years for
33 which the land was designated as forest land, plus compensating taxes
34 on the land at forest land values up until the date of removal and the
35 prorated taxes on the land at true and fair value from the date of
36 removal to the end of the current tax year.

37 (12) Compensating tax, together with applicable interest thereon,
38 shall become a lien on the land which shall attach at the time the land

1 is removed from designation as forest land and shall have priority to
2 and shall be fully paid and satisfied before any recognizance,
3 mortgage, judgment, debt, obligation, or responsibility to or with
4 which the land may become charged or liable. The lien may be
5 foreclosed upon expiration of the same period after delinquency and in
6 the same manner provided by law for foreclosure of liens for delinquent
7 real property taxes as provided in RCW 84.64.050. Any compensating tax
8 unpaid on its due date shall thereupon become delinquent. From the
9 date of delinquency until paid, interest shall be charged at the same
10 rate applied by law to delinquent ad valorem property taxes.

11 (13) The compensating tax specified in subsection (11) of this
12 section shall not be imposed if the removal of designation under
13 subsection (5) of this section resulted solely from:

14 (a) Transfer to a government entity in exchange for other forest
15 land located within the state of Washington;

16 (b) A taking through the exercise of the power of eminent domain,
17 or sale or transfer to an entity having the power of eminent domain in
18 anticipation of the exercise of such power;

19 (c) A donation of fee title, development rights, or the right to
20 harvest timber, to a government agency or organization qualified under
21 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
22 sections, or the sale or transfer of fee title to a governmental entity
23 or a nonprofit nature conservancy corporation, as defined in RCW
24 64.04.130, exclusively for the protection and conservation of lands
25 recommended for state natural area preserve purposes by the natural
26 heritage council and natural heritage plan as defined in chapter 79.70
27 RCW or approved for state natural resources conservation area purposes
28 as defined in chapter 79.71 RCW. At such time as the land is not used
29 for the purposes enumerated, the compensating tax specified in
30 subsection (11) of this section shall be imposed upon the current
31 owner;

32 (d) The sale or transfer of fee title to the parks and recreation
33 commission for park and recreation purposes;

34 (e) Official action by an agency of the state of Washington or by
35 the county or city within which the land is located that disallows the
36 present use of the land;

37 (f) The creation, sale, or transfer of forestry riparian easements
38 under RCW 76.13.120;

1 (g) The creation, sale, or transfer of a fee interest or a
2 conservation easement for the riparian open space program under RCW
3 76.09.040; or

4 (h) The sale or transfer of land within two years after the death
5 of the owner of at least a fifty percent interest in the land if the
6 land has been assessed and valued as classified forest land, designated
7 as forest land under this chapter, or classified under chapter 84.34
8 RCW continuously since 1993. The date of death shown on a death
9 certificate is the date used for the purposes of this subsection
10 ~~((13)(h); or~~

11 ~~(i) The sale or transfer of land after the death of the owner of at~~
12 ~~least a fifty percent interest in the land if the land has been~~
13 ~~assessed and valued as classified forest land, designated as forest~~
14 ~~land under this chapter, or classified under chapter 84.34 RCW~~
15 ~~continuously since 1993 and the sale or transfer takes place after July~~
16 ~~22, 2001, and on or before July 22, 2003, and the death of the owner~~
17 ~~occurred after January 1, 1991. The date of death shown on a death~~
18 ~~certificate is the date used for the purposes of this subsection~~
19 ~~(13)(i)).~~

20 (14) In a county with a population of more than one million
21 inhabitants, the compensating tax specified in subsection (11) of this
22 section shall not be imposed if the removal of designation as forest
23 land under subsection (5) of this section resulted solely from:

24 (a) An action described in subsection (13) of this section; or

25 (b) A transfer of a property interest to a government entity, or to
26 a nonprofit historic preservation corporation or nonprofit nature
27 conservancy corporation, as defined in RCW 64.04.130, to protect or
28 enhance public resources, or to preserve, maintain, improve, restore,
29 limit the future use of, or otherwise to conserve for public use or
30 enjoyment, the property interest being transferred. At such time as
31 the property interest is not used for the purposes enumerated, the
32 compensating tax shall be imposed upon the current owner.

33 **Sec. 4.** RCW 84.33.145 and 2001 c 249 s 4 are each amended to read
34 as follows:

35 (1) If no later than thirty days after removal of designation under
36 this chapter the owner applies for classification under RCW 84.34.020
37 (1)((~~7~~)) or (2), ((~~or~~-(3)-~~7~~)) then the designated forest land shall not

1 be considered removed from designation for purposes of the compensating
2 tax under RCW 84.33.140 until the application for current use
3 classification under chapter 84.34 RCW is denied or the property is
4 removed from classification under RCW 84.34.108. Upon removal of
5 classification under RCW 84.34.108, the amount of compensating tax due
6 under this chapter shall be equal to:

7 (a) The difference, if any, between the amount of tax last levied
8 on the land as designated forest land and an amount equal to the new
9 assessed valuation of the land when removed from classification under
10 RCW 84.34.108 multiplied by the dollar rate of the last levy extended
11 against the land, multiplied by

12 (b) A number equal to:

13 (i) The number of years the land was designated under this chapter,
14 if the total number of years the land was designated under this chapter
15 and classified under chapter 84.34 RCW is less than ten; or

16 (ii) Ten minus the number of years the land was classified under
17 chapter 84.34 RCW, if the total number of years the land was designated
18 under this chapter and classified under chapter 84.34 RCW is at least
19 ten.

20 (2) Nothing in this section authorizes the continued designation
21 under this chapter or defers or reduces the compensating tax imposed
22 upon forest land not transferred to classification under subsection (1)
23 of this section (~~which~~) that does not meet the definition of forest
24 land under RCW 84.33.035. Nothing in this section affects the
25 additional tax imposed under RCW 84.34.108.

26 (3) In a county with a population of more than one million
27 inhabitants, no amount of compensating tax is due under this section if
28 the removal from classification under RCW 84.34.108 results from a
29 transfer of property described in RCW 84.34.108(6).

30 **Sec. 5.** RCW 84.33.170 and 2001 c 249 s 5 are each amended to read
31 as follows:

32 Notwithstanding any provision of this chapter to the contrary, this
33 chapter shall not exempt from the ad valorem tax nor subject to the
34 excise tax imposed by this chapter, Christmas trees and short-rotation
35 hardwoods, which are cultivated by agricultural methods, and the land
36 on which the Christmas trees and short-rotation hardwoods stand shall
37 not be taxed as provided in RCW 84.33.140. (~~However, short-rotation~~

1 ~~hardwoods, which are cultivated by agricultural methods, on land~~
2 ~~classified as timber land under chapter 84.34 RCW, shall be subject to~~
3 ~~the excise tax imposed under this chapter.)~~

4 **Sec. 6.** RCW 84.34.020 and 2005 c 57 s 1 are each amended to read
5 as follows:

6 As used in this chapter, unless a different meaning is required by
7 the context:

8 (1) "Open space land" means (a) any land area so designated by an
9 official comprehensive land use plan adopted by any city or county and
10 zoned accordingly, or (b) any land area, the preservation of which in
11 its present use would (i) conserve and enhance natural or scenic
12 resources, or (ii) protect streams or water supply, or (iii) promote
13 conservation of soils, wetlands, beaches or tidal marshes, or (iv)
14 enhance the value to the public of abutting or neighboring parks,
15 forests, wildlife preserves, nature reservations or sanctuaries or
16 other open space, or (v) enhance recreation opportunities, or (vi)
17 preserve historic sites, or (vii) preserve visual quality along
18 highway, road, and street corridors or scenic vistas, or (viii) retain
19 in its natural state tracts of land not less than one acre situated in
20 an urban area and open to public use on such conditions as may be
21 reasonably required by the legislative body granting the open space
22 classification, or (c) any land meeting the definition of farm and
23 agricultural conservation land under subsection (8) of this section.
24 As a condition of granting open space classification, the legislative
25 body may not require public access on land classified under (b)(iii) of
26 this subsection for the purpose of promoting conservation of wetlands.

27 (2) "Farm and agricultural land" means:

28 (a) Any parcel of land that is twenty or more acres or multiple
29 parcels of land that are contiguous and total twenty or more acres:

30 (i) Devoted primarily to the production of livestock or
31 agricultural commodities for commercial purposes;

32 (ii) Enrolled in the federal conservation reserve program or its
33 successor administered by the United States department of agriculture;
34 or

35 (iii) Other similar commercial activities as may be established by
36 rule;

1 (b)(i) Any parcel of land that is five acres or more but less than
2 twenty acres devoted primarily to agricultural uses, which has produced
3 a gross income from agricultural uses equivalent to, as of January 1,
4 1993:

5 (A) One hundred dollars or more per acre per year for three of the
6 five calendar years preceding the date of application for
7 classification under this chapter for all parcels of land that are
8 classified under this subsection or all parcels of land for which an
9 application for classification under this subsection is made with the
10 granting authority prior to January 1, 1993; and

11 (B) On or after January 1, 1993, two hundred dollars or more per
12 acre per year for three of the five calendar years preceding the date
13 of application for classification under this chapter;

14 (ii) For the purposes of (b)(i) of this subsection, "gross income
15 from agricultural uses" includes, but is not limited to, the wholesale
16 value of agricultural products donated to nonprofit food banks or
17 feeding programs;

18 (c) Any parcel of land of less than five acres devoted primarily to
19 agricultural uses which has produced a gross income as of January 1,
20 1993, of:

21 (i) One thousand dollars or more per year for three of the five
22 calendar years preceding the date of application for classification
23 under this chapter for all parcels of land that are classified under
24 this subsection or all parcels of land for which an application for
25 classification under this subsection is made with the granting
26 authority prior to January 1, 1993; and

27 (ii) On or after January 1, 1993, fifteen hundred dollars or more
28 per year for three of the five calendar years preceding the date of
29 application for classification under this chapter.

30 Parcels of land described in (b)(i)(A) and (c)(i) of this subsection
31 shall, upon any transfer of the property excluding a transfer to a
32 surviving spouse, be subject to the limits of (b)(i)(B) and (c)(ii) of
33 this subsection;

34 (d) Any lands including incidental uses as are compatible with
35 agricultural purposes, including wetlands preservation, provided such
36 incidental use does not exceed twenty percent of the classified land
37 and the land on which appurtenances necessary to the production,
38 preparation, or sale of the agricultural products exist in conjunction

1 with the lands producing such products. Agricultural lands shall also
2 include any parcel of land of one to five acres, which is not
3 contiguous, but which otherwise constitutes an integral part of farming
4 operations being conducted on land qualifying under this section as
5 "farm and agricultural lands"; or

6 (e) The land on which housing for employees and the principal place
7 of residence of the farm operator or owner of land classified pursuant
8 to (a) of this subsection is sited if: The housing or residence is on
9 or contiguous to the classified parcel; and the use of the housing or
10 the residence is integral to the use of the classified land for
11 agricultural purposes.

12 ~~(3) ("Timber land" means any parcel of land that is five or more~~
13 ~~acres or multiple parcels of land that are contiguous and total five or~~
14 ~~more acres which is or are devoted primarily to the growth and harvest~~
15 ~~of timber for commercial purposes. Timber land means the land only and~~
16 ~~does not include a residential homesite. The term includes land used~~
17 ~~for incidental uses that are compatible with the growing and harvesting~~
18 ~~of timber but no more than ten percent of the land may be used for such~~
19 ~~incidental uses. It also includes the land on which appurtenances~~
20 ~~necessary for the production, preparation, or sale of the timber~~
21 ~~products exist in conjunction with land producing these products.~~

22 ~~(4))~~ "Current" or "currently" means as of the date on which
23 property is to be listed and valued by the assessor.

24 ~~((5))~~ (4) "Owner" means the party or parties having the fee
25 interest in land, except that where land is subject to real estate
26 contract "owner" shall mean the contract vendee.

27 ~~((6))~~ (5) "Contiguous" means land adjoining and touching other
28 property held by the same ownership. Land divided by a public road,
29 but otherwise an integral part of a farming operation, shall be
30 considered contiguous.

31 ~~((7))~~ (6) "Granting authority" means the appropriate agency or
32 official who acts on an application for classification of land pursuant
33 to this chapter.

34 ~~((8))~~ (7) "Farm and agricultural conservation land" means either:

35 (a) Land that was previously classified under subsection (2) of
36 this section, that no longer meets the criteria of subsection (2) of
37 this section, and that is reclassified under subsection (1) of this
38 section; or

1 (b) Land that is traditional farmland that is not classified under
2 chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a
3 use inconsistent with agricultural uses, and that has a high potential
4 for returning to commercial agriculture.

5 **Sec. 7.** RCW 84.34.030 and 1989 c 378 s 10 are each amended to read
6 as follows:

7 An owner of agricultural land desiring current use classification
8 under (~~(subsection (2) of)~~) RCW 84.34.020(2) shall make application to
9 the county assessor upon forms prepared by the state department of
10 revenue and supplied by the county assessor. An owner of open space
11 (~~(or timber)~~) land desiring current use classification under
12 (~~(subsections (1) and (3) of)~~) RCW 84.34.020(1) shall make application
13 to the county legislative authority upon forms prepared by the state
14 department of revenue and supplied by the county assessor. The
15 application shall be accompanied by a reasonable processing fee if
16 (~~(such)~~) a processing fee is established by the city or county
17 legislative authority. Said application shall require only such
18 information reasonably necessary to properly classify an area of land
19 under this chapter with a notarized verification of the truth thereof
20 and shall include a statement that the applicant is aware of the
21 potential tax liability involved when (~~(such)~~) the land ceases to be
22 designated as open space(~~(r)~~) or farm and agricultural (~~(or timber)~~)
23 land. Applications must be made during the calendar year preceding
24 that in which (~~(such)~~) classification is to begin. The assessor shall
25 make necessary information, including copies of this chapter and
26 applicable regulations, readily available to interested parties, and
27 shall render reasonable assistance to such parties upon request.

28 **Sec. 8.** RCW 84.34.060 and 1997 c 429 s 32 are each amended to read
29 as follows:

30 In determining the true and fair value of open space land (~~(and~~
31 ~~timber land)~~), which has been classified as such under the provisions
32 of this chapter, the assessor shall consider only the use to which such
33 property and improvements is currently applied and shall not consider
34 potential uses of such property. The assessed valuation of open space
35 land shall not be less than the minimum value per acre of classified
36 farm and agricultural land except that the assessed valuation of open

1 space land may be valued based on the public benefit rating system
2 adopted under RCW 84.34.055(~~(: PROVIDED FURTHER, That timber land~~
3 ~~shall be valued according to chapter 84.33 RCW)~~). In valuing any tract
4 or parcel of real property designated and zoned under a comprehensive
5 plan adopted under chapter 36.70A RCW as agricultural(~~(, forest,)~~) or
6 open space land, the appraisal shall not be based on similar sales of
7 parcels that have been converted to nonagricultural(~~(, nonforest,)~~) or
8 nonopen-space uses within five years after the sale.

9 **Sec. 9.** RCW 84.34.070 and 1992 c 69 s 10 are each amended to read
10 as follows:

11 (1) When land has once been classified under this chapter, it shall
12 remain under such classification and shall not be applied to other use
13 except as provided by subsection (2) of this section for at least ten
14 years from the date of classification (~~and~~). It shall continue under
15 such classification until and unless withdrawn from classification
16 after notice of request for withdrawal shall be made by the owner.
17 During any year after eight years of the initial ten-year
18 classification period have elapsed, notice of request for withdrawal of
19 all or a portion of the land may be given by the owner to the assessor
20 or assessors of the county or counties in which (~~such~~) the land is
21 situated. In the event that a portion of a parcel is removed from
22 classification, the remaining portion must meet the same requirements
23 as did the entire parcel when (~~such~~) the land was originally granted
24 classification (~~pursuant to~~) under this chapter unless the remaining
25 parcel has different income criteria. Within seven days the assessor
26 shall transmit one copy of (~~such~~) the notice to the legislative body
27 (~~which~~) that originally approved the application. The assessor or
28 assessors, as the case may be, shall, when two assessment years have
29 elapsed following the date of receipt of (~~such~~) the notice, withdraw
30 (~~such~~) the land from (~~such~~) the classification and the land shall
31 be subject to the additional tax and applicable interest due under RCW
32 84.34.108. The open space taxation agreement to tax according to use
33 shall not be considered to be a contract and can be abrogated at any
34 time by the legislature in which event no additional tax or penalty
35 shall be imposed.

36 (2) The following reclassifications are not considered withdrawals
37 or removals and are not subject to additional tax under RCW 84.34.108:

1 (a) (~~Reclassification between lands under RCW 84.34.020 (2) and~~
2 ~~(3)~~);

3 ~~(b)~~) Reclassification of land classified under RCW 84.34.020(2)
4 (~~or (3)~~) or chapter 84.33 RCW to open space land under RCW
5 84.34.020(1);

6 (~~(c)~~) (b) Reclassification of land classified under RCW
7 84.34.020(2) (~~or (3)~~) to forest land (~~classified~~) designated under
8 chapter 84.33 RCW; and

9 (~~(d)~~) (c) Reclassification of land classified as open space land
10 under RCW 84.34.020(1)(c) and reclassified to farm and agricultural
11 land under RCW 84.34.020(2) if the land had been previously classified
12 as farm and agricultural land under RCW 84.34.020(2).

13 (3) Applications for reclassification shall be subject to
14 applicable provisions of RCW 84.34.037, 84.34.035, (~~84.34.041,~~) and
15 chapter 84.33 RCW.

16 (4) The income criteria for land classified under RCW 84.34.020(2)
17 (b) and (c) may be deferred for land being reclassified from land
18 classified under RCW 84.34.020(1)(c) (~~or (3)~~), or chapter 84.33 RCW
19 into RCW 84.34.020(2) (b) or (c) for a period of up to five years from
20 the date of reclassification.

21 **Sec. 10.** RCW 84.34.080 and 1999 sp.s. c 4 s 705 are each amended
22 to read as follows:

23 When land which has been classified under this chapter as open
24 space land(~~(7)~~) or farm and agricultural land(~~(7, or timber land)~~) is
25 applied to some other use, except through compliance with RCW
26 84.34.070, or except as a result solely from any one of the conditions
27 listed in RCW 84.34.108(6), the owner shall within sixty days notify
28 the county assessor of (~~such~~) the change in use and additional real
29 property tax shall be imposed upon (~~such~~) the land in an amount equal
30 to the sum of the following:

31 (1) The total amount of the additional tax and applicable interest
32 due under RCW 84.34.108; plus

33 (2) A penalty amounting to twenty percent of the amount determined
34 in subsection (1) of this section.

35 **Sec. 11.** RCW 84.34.108 and 2003 c 170 s 6 are each amended to read
36 as follows:

1 (1) When land has once been classified under this chapter, a
2 notation of the classification shall be made each year upon the
3 assessment and tax rolls and the land shall be valued pursuant to RCW
4 84.34.060 or 84.34.065 until removal of all or a portion of the
5 classification by the assessor upon occurrence of any of the following:

6 (a) Receipt of notice from the owner to remove all or a portion of
7 the classification;

8 (b) Sale or transfer to an ownership, except a transfer that
9 resulted from a default in loan payments made to or secured by a
10 governmental agency that intends to or is required by law or regulation
11 to resell the property for the same use as before, making all or a
12 portion of the land exempt from ad valorem taxation;

13 (c) Sale or transfer of all or a portion of the land to a new
14 owner, unless the new owner has signed a notice of classification
15 continuance, except transfer to an owner who is an heir or devisee of
16 a deceased owner shall not, by itself, result in removal of
17 classification. The notice of continuance shall be on a form prepared
18 by the department. If the notice of continuance is not signed by the
19 new owner and attached to the real estate excise tax affidavit, all
20 additional taxes calculated pursuant to subsection (4) of this section
21 shall become due and payable by the seller or transferor at time of
22 sale. The auditor shall not accept an instrument of conveyance
23 regarding classified land for filing or recording unless the new owner
24 has signed the notice of continuance or the additional tax has been
25 paid, as evidenced by the real estate excise tax stamp affixed thereto
26 by the treasurer. The seller, transferor, or new owner may appeal the
27 new assessed valuation calculated under subsection (4) of this section
28 to the county board of equalization in accordance with the provisions
29 of RCW 84.40.038. Jurisdiction is hereby conferred on the county board
30 of equalization to hear these appeals;

31 (d) Determination by the assessor, after giving the owner written
32 notice and an opportunity to be heard, that all or a portion of the
33 land no longer meets the criteria for classification under this
34 chapter. The criteria for classification pursuant to this chapter
35 continue to apply after classification has been granted.

36 The granting authority, upon request of an assessor, shall provide
37 reasonable assistance to the assessor in making a determination whether

1 the land continues to meet the qualifications of RCW 84.34.020(1) (~~or~~
2 ~~(3)~~). The assistance shall be provided within thirty days of receipt
3 of the request.

4 (2) Land may not be removed from classification because of:

5 (a) The creation, sale, or transfer of forestry riparian easements
6 under RCW 76.13.120; or

7 (b) The creation, sale, or transfer of a fee interest or a
8 conservation easement for the riparian open space program under RCW
9 76.09.040.

10 (3) Within thirty days after (~~such~~) the removal of all or a
11 portion of the land from current use classification, the assessor shall
12 notify the owner in writing, setting forth the reasons for the removal.
13 The seller, transferor, or owner may appeal the removal to the county
14 board of equalization in accordance with the provisions of RCW
15 84.40.038.

16 (4) Unless the removal is reversed on appeal, the assessor shall
17 revalue the affected land with reference to its true and fair value on
18 January 1st of the year of removal from classification. Both the
19 assessed valuation before and after the removal of classification shall
20 be listed and taxes shall be allocated according to that part of the
21 year to which each assessed valuation applies. Except as provided in
22 subsection (6) of this section, an additional tax, applicable interest,
23 and penalty shall be imposed which shall be due and payable to the
24 treasurer thirty days after the owner is notified of the amount of the
25 additional tax. As soon as possible, the assessor shall compute the
26 amount of additional tax, applicable interest, and penalty and the
27 treasurer shall mail notice to the owner of the amount thereof and the
28 date on which payment is due. The amount of the additional tax,
29 applicable interest, and penalty shall be determined as follows:

30 (a) The amount of additional tax shall be equal to the difference
31 between the property tax paid as "open space land"(~~(7)~~) or "farm and
32 agricultural land"(~~(7) or "timber land"~~) and the amount of property tax
33 otherwise due and payable for the seven years last past had the land
34 not been so classified;

35 (b) The amount of applicable interest shall be equal to the
36 interest upon the amounts of the additional tax paid at the same
37 statutory rate charged on delinquent property taxes from the dates on

1 which the additional tax could have been paid without penalty if the
2 land had been assessed at a value without regard to this chapter;

3 (c) The amount of the penalty shall be as provided in RCW
4 84.34.080. The penalty shall not be imposed if the removal satisfies
5 the conditions of RCW 84.34.070.

6 (5) Additional tax, applicable interest, and penalty, shall become
7 a lien on the land (~~(which)~~) that shall attach at the time the land is
8 removed from classification under this chapter and shall have priority
9 to and shall be fully paid and satisfied before any recognizance,
10 mortgage, judgment, debt, obligation or responsibility to or with which
11 the land may become charged or liable. This lien may be foreclosed
12 upon expiration of the same period after delinquency and in the same
13 manner provided by law for foreclosure of liens for delinquent real
14 property taxes as provided in RCW 84.64.050 now or as hereafter
15 amended. Any additional tax unpaid on its due date shall thereupon
16 become delinquent. From the date of delinquency until paid, interest
17 shall be charged at the same rate applied by law to delinquent ad
18 valorem property taxes.

19 (6) The additional tax, applicable interest, and penalty specified
20 in subsection (4) of this section shall not be imposed if the removal
21 of classification (~~(pursuant to)~~) under subsection (1) of this section
22 resulted solely from:

23 (a) Transfer to a government entity in exchange for other land
24 located within the state of Washington;

25 (b)(i) A taking through the exercise of the power of eminent
26 domain, or (ii) sale or transfer to an entity having the power of
27 eminent domain in anticipation of the exercise of such power, said
28 entity having manifested its intent in writing or by other official
29 action;

30 (c) A natural disaster such as a flood, windstorm, earthquake, or
31 other such calamity rather than by virtue of the act of the landowner
32 changing the use of the property;

33 (d) Official action by an agency of the state of Washington or by
34 the county or city within which the land is located which disallows the
35 present use of the land;

36 (e) Transfer of land to a church when the land would qualify for
37 exemption (~~(pursuant to)~~) under RCW 84.36.020;

1 (f) Acquisition of property interests by state agencies or agencies
2 or organizations qualified under RCW 84.34.210 and 64.04.130 for the
3 purposes enumerated in those sections. At such time as these property
4 interests are not used for the purposes enumerated in RCW 84.34.210 and
5 64.04.130 the additional tax specified in subsection (4) of this
6 section shall be imposed;

7 (g) Removal of land classified as farm and agricultural land under
8 RCW 84.34.020(2)(e);

9 (h) Removal of land from classification after enactment of a
10 statutory exemption that qualifies the land for exemption and receipt
11 of notice from the owner to remove the land from classification;

12 (i) The creation, sale, or transfer of forestry riparian easements
13 under RCW 76.13.120;

14 (j) The creation, sale, or transfer of a fee interest or a
15 conservation easement for the riparian open space program under RCW
16 76.09.040;

17 (k) The sale or transfer of land within two years after the death
18 of the owner of at least a fifty percent interest in the land if the
19 land has been assessed and valued as classified forest land, designated
20 as forest land under chapter 84.33 RCW, or classified under this
21 chapter continuously since 1993. The date of death shown on a death
22 certificate is the date used for the purposes of this subsection
23 ((6)(k); or

24 ~~(l) The sale or transfer of land after the death of the owner of at~~
25 ~~least a fifty percent interest in the land if the land has been~~
26 ~~assessed and valued as classified forest land, designated as forest~~
27 ~~land under chapter 84.33 RCW, or classified under this chapter~~
28 ~~continuously since 1993 and the sale or transfer takes place after July~~
29 ~~22, 2001, and on or before July 22, 2003, and the death of the owner~~
30 ~~occurred after January 1, 1991. The date of death shown on a death~~
31 ~~certificate is the date used for the purpose of this subsection~~
32 ~~(6)(l)))).~~

33 **Sec. 12.** RCW 84.34.145 and 1998 c 311 s 17 are each amended to
34 read as follows:

35 The county legislative authority shall appoint a five member
36 committee representing the active farming community within the county
37 to serve in an advisory capacity to the assessor in implementing

1 assessment guidelines as established by the department of revenue for
2 the assessment of open space(~~(τ)~~) and farm(~~(s)~~) and agricultural
3 land(~~(s, and timber lands)~~) classified under (~~(this)~~) chapter 84.34
4 RCW.

5 **Sec. 13.** RCW 84.34.155 and 1992 c 69 s 15 are each amended to read
6 as follows:

7 Land classified under the provisions of RCW 84.34.020(2) (~~(or (3)~~
8 ~~which)) that meets the definition of forest land under the provisions
9 of chapter 84.33 RCW, upon request for (~~(such change)~~) reclassification
10 made by the owner to the granting authority, shall be reclassified by
11 the assessor under the provisions of chapter 84.33 RCW. This change in
12 classification shall be made without additional tax, applicable
13 interest, penalty, or other requirements set forth in chapter 84.34
14 RCW(~~(: PROVIDED, That subsequent to such)~~). After reclassification,
15 the land shall be fully subject to the provisions of chapter 84.33
16 RCW(~~(, as now or hereafter amended)~~).~~

17 **Sec. 14.** RCW 84.34.210 and 1993 c 248 s 1 are each amended to read
18 as follows:

19 Any county, city, town, metropolitan park district, metropolitan
20 municipal corporation, nonprofit historic preservation corporation as
21 defined in RCW 64.04.130, or nonprofit nature conservancy corporation
22 or association, as such are defined in RCW 84.34.250, may acquire by
23 purchase, gift, grant, bequest, devise, lease, or otherwise, except by
24 eminent domain, the fee simple or any lesser interest, development
25 right, easement, covenant, or other contractual right necessary to
26 protect, preserve, maintain, improve, restore, limit the future use of,
27 or otherwise conserve, selected open space land(~~(τ)~~) and farm and
28 agricultural land(~~(, and timber land as such)~~) as these are defined in
29 chapter 84.34 RCW for public use or enjoyment. Among interests that
30 may be so acquired are mineral rights. Any county, city, town,
31 metropolitan park district, metropolitan municipal corporation,
32 nonprofit historic preservation corporation as defined in RCW
33 64.04.130, or nonprofit nature conservancy corporation or association,
34 as (~~(such are)~~) defined in RCW 84.34.250, may acquire (~~(such)~~) the
35 property for the purpose of conveying or leasing the property back to
36 its original owner or other person under such covenants or other

1 contractual arrangements as will limit the future use of the property
2 in accordance with the purposes of chapter 243, Laws of 1971 ex. sess.;
3 i.e., conservation futures.

4 **Sec. 15.** RCW 84.34.220 and 1993 c 248 s 2 are each amended to read
5 as follows:

6 In accordance with the authority granted in RCW 84.34.210, a
7 county, city, town, metropolitan park district, metropolitan municipal
8 corporation, nonprofit historic preservation corporation as defined in
9 RCW 64.04.130, or nonprofit nature conservancy corporation or
10 association, as (~~such are~~) defined in RCW 84.34.250, may specifically
11 purchase or otherwise acquire, except by eminent domain, rights in
12 perpetuity to future development of any open space land(~~(and)~~) and farm
13 and agricultural land(~~(and timber land which are so designated under~~
14 ~~the provisions of chapter 84.34 RCW)~~) that are classified and taxed at
15 current use assessment (~~(as provided by that chapter)~~) under the
16 provisions of chapter 84.34 RCW. For the purposes of chapter 243, Laws
17 of 1971 ex. sess., (~~such~~) the developmental rights shall be termed
18 "conservation futures". The private owner may retain the right to
19 continue any existing open space use of the land, and to develop any
20 other open space use, but, under the terms of purchase of conservation
21 futures, the county, city, town, metropolitan park district,
22 metropolitan municipal corporation, nonprofit historic preservation
23 corporation as defined in RCW 64.04.130, or nonprofit nature
24 conservancy corporation or association, as (~~such are~~) defined in RCW
25 84.34.250, may forbid or restrict building thereon, or may require that
26 improvements cannot be made without county, city, town, metropolitan
27 park district, metropolitan municipal corporation, nonprofit historic
28 preservation corporation as defined in RCW 64.04.130, or nonprofit
29 nature conservancy corporation or association, as (~~such are~~) defined
30 in RCW 84.34.250, permission. The land may be alienated or sold and
31 used as formerly by the new owner, subject to the terms of the
32 agreement made by the county, city, town, metropolitan park district,
33 metropolitan municipal corporation, nonprofit historic preservation
34 corporation as defined in RCW 64.04.130, or nonprofit nature
35 conservancy corporation or association, as (~~such are~~) defined in RCW
36 84.34.250, with the original owner.

1 **Sec. 16.** RCW 84.34.300 and 1992 c 52 s 14 are each amended to read
2 as follows:

3 The legislature finds that farming(~~(, timber production,)~~) and the
4 related agricultural (~~(and forest)~~) industries have historically been
5 and currently are central factors in the economic and social lifeblood
6 of the state; that it is a fundamental policy of the state to protect
7 agricultural (~~(and timber)~~) lands as a major natural resource in order
8 to maintain a source to supply a wide range of agricultural (~~(and~~
9 ~~forest)~~) products; and that the public interest in the protection and
10 stimulation of farming(~~(, timber production,)~~) and the agricultural
11 (~~(and forest)~~) industries is a basic element of enhancing the economic
12 viability of this state. The legislature further finds that farm land
13 (~~(and timber land)~~) in urbanizing areas (~~(are)~~) is often subjected to
14 high levels of property taxation and benefit assessment, and that
15 (~~(such)~~) the levels of taxation and assessment encourage and even force
16 the removal of such lands from agricultural (~~(and forest)~~) uses. The
17 legislature further finds that because of this level of taxation and
18 assessment, (~~(such)~~) the farm land (~~(and timber land)~~) in urbanizing
19 areas (~~(are)~~) is either converted to nonagricultural (~~(and nonforest)~~)
20 uses when significant amounts of nearby nonagricultural (~~(and~~
21 ~~nonforest)~~) area could be suitably used for (~~(such)~~) nonagricultural
22 (~~(and nonforest)~~) uses, or, much of this farm land (~~(and timber land)~~)
23 is left in an unused state. The legislature further finds that with
24 the approval by the voters of the Fifty-third Amendment to the state
25 Constitution, and with the enactment of chapter 84.34 RCW, the owners
26 of farm lands (~~(and timber lands)~~) were provided with an opportunity to
27 have (~~(such)~~) the land valued on the basis of its current use and not
28 its "highest and best use" and that such current use valuation is one
29 mechanism to protect agricultural (~~(and timber)~~) lands. The
30 legislature further finds that despite this potential property tax
31 reduction, farm lands (~~(and timber lands)~~) in urbanized areas are still
32 subject to high levels of benefit assessments and continue to be
33 removed from farm (~~(and forest)~~) uses.

34 It is therefore the purpose of the legislature to establish, with
35 the enactment of RCW 84.34.300 through 84.34.380, another mechanism to
36 protect agricultural (~~(and timber)~~) land (~~(which)~~) that creates an
37 analogous system of relief from certain benefit assessments for farm
38 and agricultural land (~~(and timber land)~~). It is the intent of the

1 legislature that special benefit assessments not be imposed for the
2 availability of sanitary and/or storm sewerage service, or domestic
3 water service, or for road construction and/or improvement purposes on
4 farm and agricultural lands (~~((and timber lands which))~~) that have been
5 (~~((designated for))~~) granted current use classification as farm and
6 agricultural lands (~~((or timber lands))~~) until (~~((such))~~) the lands are
7 withdrawn or removed from (~~((such))~~) classification or unless (~~((such))~~)
8 the lands benefit from or cause the need for the local improvement
9 district.

10 The legislature finds, and it is the intent of RCW 84.34.300
11 through 84.34.380 and 84.34.922, that special benefit assessments for
12 the improvement or construction of sanitary and/or storm sewerage
13 service, or domestic water service, or certain road construction do not
14 generally benefit land (~~((which))~~) that has been classified as open space
15 farm and agricultural land (~~((or timber land))~~) under the open space act,
16 chapter 84.34 RCW, until (~~((such))~~) the land is withdrawn or removed from
17 (~~((such))~~) classification or (~~((such))~~) the land is used for a more intense
18 and nonagricultural use(~~((, or the land is no longer used as timber~~
19 ~~land))~~). The purpose of RCW 84.34.300 through 84.34.380 and 84.34.922
20 is to provide an exemption from certain special benefit assessments
21 (~~((which))~~) that do not benefit (~~((timber land or))~~) open space farm and
22 agricultural land, and to provide the means for local governmental
23 entities to recover (~~((such))~~) the assessments in current dollar value in
24 the event (~~((such))~~) the land is no longer devoted to farming (~~((or~~
25 ~~timber))~~) production under chapter 84.34 RCW. (~~((Where))~~) When the owner
26 of such land chooses to make limited use of improvements related to
27 special benefit assessments, RCW 84.34.300 through 84.34.380 provides
28 the means for the partial assessment on open space (~~((timber and))~~) farm
29 land to the extent the land is directly benefited by the improvement.

30 **Sec. 17.** RCW 84.34.310 and 1999 c 153 s 71 are each amended to
31 read as follows:

32 As used in RCW 84.34.300 through 84.34.380, unless a different
33 meaning is required, the words defined in this section shall have the
34 meanings indicated.

35 (1) "Farm and agricultural land" shall mean the same as defined in
36 RCW 84.34.020(2).

1 (2) (~~"Timber land" shall mean the same as defined in RCW~~
2 ~~84.34.020(3).~~

3 ~~(3)~~) "Local government" shall mean any city, town, county, water-
4 sewer district, public utility district, port district, irrigation
5 district, flood control district, or any other municipal corporation,
6 quasi-municipal corporation, or other political subdivision authorized
7 to levy special benefit assessments for sanitary and/or storm sewerage
8 systems, domestic water supply and/or distribution systems, or road
9 construction or improvement purposes.

10 ~~((4))~~ (3) "Local improvement district" shall mean any local
11 improvement district, utility local improvement district, local utility
12 district, road improvement district, or any similar unit created by a
13 local government for the purpose of levying special benefit assessments
14 against property specially benefited by improvements relating to such
15 districts.

16 ~~((5))~~ (4) "Owner" shall mean the same as defined in RCW
17 84.34.020~~((5))~~ (4) or the applicable statutes relating to special
18 benefit assessments.

19 ~~((6))~~ (5) The term "average rate of inflation" shall mean the
20 annual rate of inflation as determined by the department of revenue
21 averaged over the period of time as provided in RCW 84.34.330 (1) and
22 (2). ~~((Such))~~ This determination shall be published in the form of a
23 rule not later than January 1 of each year for use in that assessment
24 year.

25 ~~((7))~~ (6) "Special benefit assessments" shall mean special
26 assessments levied or capable of being levied in any local improvement
27 district or otherwise levied or capable of being levied by a local
28 government to pay for all or part of the costs of a local improvement
29 and which may be levied only for the special benefits to be realized by
30 property by reason of that local improvement.

31 **Sec. 18.** RCW 84.34.320 and 1992 c 69 s 17 and 1992 c 52 s 16 are
32 each reenacted and amended to read as follows:

33 Any land classified as farm and agricultural land (~~or timber land~~
34 ~~pursuant to~~) under chapter 84.34 RCW at the earlier of the times the
35 legislative authority of a local government adopts a resolution,
36 ordinance, or legislative act (1) to create a local improvement
37 district, in which such land is included or would have been included

1 but for (~~such~~) its classification, or (2) to approve or confirm a
2 final special benefit assessment roll relating to a sanitary and/or
3 storm sewerage system, domestic water supply and/or distribution
4 system, or road construction and/or improvement, which roll would have
5 included (~~such~~) the land but for (~~such~~) its classification, shall
6 be exempt from special benefit assessments or charges in lieu of
7 assessment for such purposes as long as that land remains in (~~such~~)
8 classification, except as otherwise provided in RCW 84.34.360.

9 Whenever a local government creates a local improvement district,
10 the levying, collection and enforcement of assessments shall be in the
11 manner and subject to the same procedures and limitations as are
12 provided (~~pursuant to~~) under the law concerning the initiation and
13 formation of local improvement districts for the particular local
14 government. Notice of the creation of a local improvement district
15 that includes farm and agricultural land (~~or timber land~~) shall be
16 filed with the county assessor and the legislative authority of the
17 county in which (~~such~~) the land is located. The assessor, upon
18 receiving notice of the creation of (~~such~~) a local improvement
19 district, shall send a notice to the owner of the farm and agricultural
20 land (~~or timber land~~) listed on the tax rolls of the applicable
21 county treasurer of: (1) The creation of the local improvement
22 district; (2) the exemption of that land from special benefit
23 assessments; (3) the fact that the farm and agricultural land (~~or~~
24 ~~timber land~~) may become subject to the special benefit assessments if
25 the owner waives the exemption by filing a notarized document with the
26 governing body of the local government creating the local improvement
27 district before the confirmation of the final special benefit
28 assessment roll; and (4) the potential liability, (~~pursuant to~~) under
29 RCW 84.34.330, if the exemption is not waived and the land is
30 subsequently withdrawn or removed from the farm and agricultural land
31 (~~or timber land status~~) classification. When a local government
32 approves and confirms a special benefit assessment roll, from which
33 farm and agricultural land (~~or timber land~~) has been exempted
34 (~~pursuant to~~) under this section, it shall file a notice of (~~such~~)
35 this action with the assessor and the legislative authority of the
36 county in which (~~such~~) the land is located and with the treasurer of
37 that local government(~~, which~~). The notice shall describe the action
38 taken, the type of improvement involved, the land exempted, and the

1 amount of the special benefit assessment (~~which~~) that would have been
2 levied against the land if it had not been exempted. The filing of
3 (~~such~~) this notice with the assessor and the treasurer of that local
4 government shall constitute constructive notice to a purchaser or
5 encumbrancer of the affected land, and every person whose conveyance or
6 encumbrance is subsequently executed or subsequently recorded, that
7 (~~such~~) the exempt land is subject to the charges provided in RCW
8 84.34.330 and 84.34.340 if (~~such~~) the land is withdrawn or removed
9 from its current use classification as farm and agricultural land (~~or~~
10 ~~timber land~~)).

11 The owner of the land exempted from special benefit assessments
12 (~~pursuant to~~) under this section may waive that exemption by filing
13 a notarized document to that effect with the legislative authority of
14 the local government upon receiving notice from said local government
15 concerning the assessment roll hearing and before the local government
16 confirms the final special benefit assessment roll. A copy of that
17 waiver shall be filed by the local government with the assessor, but
18 the failure of such filing shall not affect the waiver.

19 Except to the extent provided in RCW 84.34.360, the local
20 government shall have no duty to furnish service from the improvement
21 financed by the special benefit assessment to (~~such~~) the exempted
22 land.

23 **Sec. 19.** RCW 84.34.330 and 1992 c 52 s 17 are each amended to read
24 as follows:

25 Whenever farm and agricultural land (~~or timber land~~) has once
26 been exempted from special benefit assessments (~~pursuant to~~) under
27 RCW 84.34.320, any withdrawal or removal from classification or change
28 in use from farm and agricultural land (~~or timber land~~) under chapter
29 84.34 RCW shall result in the following:

30 (1) If the bonds used to fund the improvement in the local
31 improvement district have not been completely retired, (~~such~~) the
32 land shall immediately become liable for: (a) The amount of the
33 special benefit assessment listed in the notice provided for in RCW
34 84.34.320; plus (b) interest on the amount determined in (1)(a) of this
35 section, compounded annually at a rate equal to the average rate of
36 inflation from the time the initial notice is filed by the governmental
37 entity (~~which~~) that created the local improvement district as

1 provided in RCW 84.34.320 to the time the owner withdraws ((such)) or
2 removes the land from the exemption category provided by this chapter;
3 or

4 (2) If the bonds used to fund the improvement in the local
5 improvement district have been completely retired, ((such)) the land
6 shall immediately become liable for: (a) The amount of the special
7 benefit assessment listed in the notice provided for in RCW 84.34.320;
8 plus (b) interest on the amount determined in (2)(a) of this section
9 compounded annually at a rate equal to the average rate of inflation
10 from the time the initial notice is filed by the governmental entity
11 ((which)) that created the local improvement district as provided in
12 RCW 84.34.320, to the time the bonds used to fund the improvement have
13 been retired; plus (c) interest on the total amount determined in
14 (2)(a) and (b) of this section at a simple per annum rate equal to the
15 average rate of inflation from the time the bonds used to fund the
16 improvement have been retired to the time the owner withdraws ((such))
17 or removes the lands from the exemption category provided by this
18 chapter.

19 (3) The amount payable ((pursuant to)) under this section shall
20 become due on the date ((such)) the land is withdrawn or removed from
21 its current use ((~~or timber land~~)) classification and shall be a lien
22 on the land prior and superior to any other lien whatsoever except for
23 the lien for general taxes, and shall be enforceable in the same manner
24 as the collection of special benefit assessments are enforced by that
25 local government.

26 **Sec. 20.** RCW 84.34.340 and 1992 c 52 s 18 are each amended to read
27 as follows:

28 Whenever farm and agricultural land ((~~or timber land~~)) is withdrawn
29 or removed from its current use classification as farm and agricultural
30 land ((~~or timber land~~)), the county assessor of the county in which
31 ((such)) the land is located shall forthwith give written notice of
32 ((such)) the withdrawal or removal to the local government or its
33 successor ((~~which had~~)) that filed with the assessor the notice
34 required by RCW 84.34.320. Upon receipt of the notice from the
35 assessor, the local government shall mail a written statement to the
36 owner of ((such)) the land for the amounts payable as provided in RCW
37 84.34.330. ((Such)) The amounts due shall be delinquent if not paid

1 within one hundred and eighty days after the date of mailing of the
2 statement, and shall be subject to the same interest, penalties, lien
3 priority, and enforcement procedures that are applicable to delinquent
4 assessments on the assessment roll from which that land had been
5 exempted, except that the rate of interest charged shall not exceed the
6 rate provided in RCW 84.34.330.

7 **Sec. 21.** RCW 84.34.360 and 1992 c 69 s 18 and 1992 c 52 s 19 are
8 each reenacted and amended to read as follows:

9 The department of revenue shall adopt rules it shall deem necessary
10 to implement RCW 84.34.300 through 84.34.380 (~~which~~) that shall
11 include, but not be limited to, procedures to determine the extent to
12 which a portion of the land otherwise exempt may be subject to a
13 special benefit assessment for the actual connection to the domestic
14 water system or sewerage facilities, and further to determine the
15 extent to which all or a portion of (~~such~~) the land may be subject to
16 a special benefit assessment for access to the road improvement in
17 relation to its value as farm and agricultural land (~~or timber land~~)
18 as distinguished from its value under more intensive uses. The
19 provision for limited special benefit assessments shall not relieve
20 (~~such~~) the land from liability for the amounts provided in RCW
21 84.34.330 and 84.34.340 when (~~such~~) the land is withdrawn or removed
22 from its current use classification as farm and agricultural land (~~or~~
23 ~~timber land~~)).

24 **Sec. 22.** RCW 84.34.370 and 1992 c 52 s 20 are each amended to read
25 as follows:

26 Whenever a portion of a parcel of land (~~which~~) that was
27 classified as farm and agricultural (~~or timber land pursuant to~~) land
28 under this chapter is withdrawn or removed from classification or there
29 is a change in use, and (~~such~~) the land has been exempted from any
30 benefit assessments (~~pursuant to~~) under RCW 84.34.320, the previously
31 exempt benefit assessments shall become due on only that portion of the
32 land (~~which~~) that is withdrawn or changed.

33 **Sec. 23.** RCW 84.34.380 and 1992 c 52 s 21 are each amended to read
34 as follows:

35 Farm and agricultural land (~~or timber land~~) on which the right to

1 future development has been acquired by any local government, the state
2 of Washington, or the United States government shall be exempt from
3 special benefit assessments in lieu of assessment for ((such)) the
4 purposes in the same manner, and under the same liabilities for payment
5 and interest, as land classified under this chapter as farm and
6 agricultural land ((~~or timber land~~)), for as long as ((such)) the
7 classification applies.

8 Any interest, development right, easement, covenant, or other
9 contractual right ((which)) that effectively protects, preserves,
10 maintains, improves, restores, prevents the future nonagricultural ((~~or~~
11 ~~nonforest~~)) use of, or otherwise conserves farm and agricultural land
12 ((~~or timber land~~)) shall be exempt from special benefit assessments as
13 long as ((such)) the development right or other such interest
14 effectively serves to prevent nonagricultural ((~~or nonforest~~))
15 development of ((such)) the land.

16 NEW SECTION. Sec. 24. The following acts or parts of acts are
17 each repealed:

18 (1) RCW 84.33.077 (Credit for property taxes paid on timber on
19 public land) and 1984 c 204 s 21 & 1983 1st ex.s. c 62 s 8;

20 (2) RCW 84.34.041 (Application for current use classification--
21 Forms--Public hearing--Approval or denial) and 2002 c 315 s 2 & 1992 c
22 69 s 20; and

23 (3) RCW 84.34.131 (Valuation of timber not affected) and 1998 c 311
24 s 15 & 1973 1st ex.s. c 212 s 16.

--- END ---